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Voluntary - Public

Date: 10/28/2010

GAIN Report Number: TW10027

Taiwan

Post: Taipei ATO

Tree Nuts Overview

Report Categories:

Product Brief

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Report Highlights:

Taiwan imports of tree nuts are forecast to reach 29,708 tons in CY 2010, up 20% compared to CY 2009. The growth is attributed to the increasing demand from the food processing sector. In CY 2009, total imports of tree nuts reached 24,757 tons. Bulk import accounted for 80% of total imports and the remaining 20% were imported in consumer packages sold as snacks. The key categories for bulk nuts are food processing (snacks as the core) and baking.

General Information:

Executive Summary

The Agricultural Trade Office in Taipei aims to explore the import potential of U.S. tree nuts into the market by interviewing Taiwan industry contacts from different fields. The report provides a summary of the interview results and an analysis of the trade data.

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Since 2009, Taiwan's Department of Health (DOH) has been promoting the concept that eating tree nuts every day is healthy. Thus, the industry forges ahead introducing a wide variety of product offerings made with tree nuts in line with the DOH's promotional concept. Based on the interview results, the industry has limited product knowledge about pecans and hazelnuts. As the market continues seeking new applications, recipes and product offerings, there is potential for U.S. exporters to develop marketing programs for these commodities.

Taiwan imports of tree nuts

(unit: ton; source: Global Atlas Services)

Category	HS Code	CY2007	CY2008	CY2009	share %	growth % (Y2009 vs. Y2008)
Bulk	0802/080132	19,640	19,749	19,839	80.1%	0.5%
retail pack	2008	5,293	5,466	4,918	19.9%	-10.0%
Total		24,933	25,215	24,757	100.0%	-1.8%

Trade

Although the CY 2009 Taiwan imports of tree nuts were down by 2% compared to CY 2008, the imports of U.S. nuts have increased by 30%, due to competitive pricing and the U.S. currency depreciation. Imports of U.S. tree nuts are forecast to reach 7,165 tons in CY 2010.

The leading sources of tree nuts supply are the U.S. and China. China accounts for 50% of market share in terms of volume; it is a key supplier for chestnuts. U.S. tree nuts hold 30% of market share,

being the main supplier for almonds and walnuts.

Taiwan imports of U.S. tree nuts

(unit: ton; source: Global Atlas Services)

Category	HS Code	CY2007	CY2008	CY2009	share % of imports	growth % (Y2009 vs. Y2008)
bulk	0802/080132	4,092	3,682	5,104	25.7%	38.6%
retail pack	2008	604	915	867	17.6%	-5.2%
Total		4,696	4,597	5,971	24.1%	29.9%

Product awareness

The top four varieties first mentioned were cashews, almonds, walnuts and pistachios. Depending on the industry, the interviewees think of them in different applications. However, across industries, pecans and hazelnuts are not familiar. It is noted that in Chinese, the words for pecans and walnuts are incredibly similar and their Chinese names get mixed up very often.

Taiwan imports of tree nuts—bulk

(unit: ton; source: Global Atlas Services)

category	CY2007	CY2008	CY2009	share %
chestnuts	6,843	6,292	6,022	32.6%
almonds	3,564	3,475	4,031	21.8%
walnuts	1,516	1,146	2,070	11.2%
lotus seeds	2,218	1,963	2,023	11.0%
cashews	1,441	1,550	1,640	8.9%
pistachios	2,097	3,649	1,068	5.8%
pecans (including macadamia nuts before Y2009)	235	237	228	1.2%
pine seeds	188	209	155	0.8%
ginkgo	131	159	148	0.8%
macadamia nuts	0	0	126	0.7%
hazelnuts	54	41	72	0.4%
betel nuts	182	6	0	0.0%
others	1,171	1,076	877	4.8%
Total	19,640	19,803	18,460	100%

Baking industry

Almonds are considered most versatile and therefore mentioned most frequently during the interviews. The variety of almond products offered in the market is also very attractive for the baking community. Almonds are presented in the form of powder, paste, slices, etc. Walnuts are considered flavor- and texture-enhancements in bread making. The bakers claim that it is less costly and it is also easier to carry over the cost for walnuts than for pecans to the end-user prices, probably because consumers are more familiar with walnuts. However, even for the interviewees in the baking industry, they are not quite sure about the applications of pecans in baking. They assume pecans and walnuts are substitutes

but the former is far more expensive and easier to result in the unpleasant oily burnt smell. Pistachios are used commonly for decoration purposes due to its greenish color. Hazelnuts are the least familiar to the industry, not to mention its applications. Only one interviewed baking instructor brought up this variety and expressed its added-value as a flavor enhancement in making cookies. She also mentioned the limited availability and relative high prices of hazelnuts compared to peanuts discourage her from incorporating them in making pastry.

Food processing industry

Tree nuts are mostly used for snacks and food ingredients. These processed nuts are sold to packers, brand makers, or grocery stores. Cashews are the main stream variety yet almonds have started to pick up due to the increased media coverage of its high amino acid content. Almonds and cashews are popular in a wide variety of flavors, such as salty, honey, or mustard. Tree nuts are also made into ready-to-drink products but the market share is still small.

Retail industry

Tree nuts hold 30% shelf space of the cookie and confectionery sector in supermarkets and hypermarkets. Cashews and pistachios account for the biggest share in overall revenues and steady growth. Almonds are highlighted as a star snack product and have been part of a mass communications campaign over the last two years. Costco and 7-Eleven also rolled out their private-label nut snacks. The snack nuts are promoted with the concept of sharing with families at festival occasions, or with the concept in line with the Taiwan Department of Health's slogan that eating nuts every day is good for your health. The peak season of tree nuts consumption is during Chinese New Year, which usually falls in January or February.

Opportunities for U.S. exporters

The baking industry in Taiwan is geared toward a more healthy diet culture. Taiwanese bakers also like adopting new ingredients to develop creative recipes. Pecans and hazelnuts are considered new, which haven't been penetrated, and require more educational efforts by the industry. ATO Taipei suggests that U.S. exporters provide samples and educational materials for the importers. In addition, Taipei Bakery Association, Taipei Vocational Training Center, and China Grain Products Research and Development Institute have cultivated relationships with numerous bakers and are influential in new product introduction. It will be effective to approach these organizations and host seminars to exchange ideas for product applications.

In the retail industry, the revenue sales of snack nuts are surging, up at least 50% over the past two years. According to the buyers, consumers prefer the concept of mix nuts. In addition to the

transparent plastic can packaging for family consumption on Chinese New Year, smaller single packs with the concept of nuts-to-go are expected to become popular. The retail industry is looking for creative product offerings to introduce into the healthy lifestyle trend. ATO Taipei suggests that U.S. exporters think out of the box in terms of product offering. In addition to traditional snack nuts, the snacks made of nuts but in different forms, such as bars, flakes, or drinks will likely achieve success.